

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7707**

**BILL NUMBER:** SB 366

**NOTE PREPARED:** Jan 11, 2003

**BILL AMENDED:**

**SUBJECT:** Expelled students.

**FIRST AUTHOR:** Sen. Miller

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill allows a school corporation that determines it cannot serve a student because of the student's disruptive behavior or frequent unexcused absences to place the student in another setting. The bill provides that if the other setting is in another school corporation or a nonpublic school, the school corporation in which the student has legal settlement is responsible for tuition. The bill requires the School Alternative Program Study Committee to study and report to the Legislative Council concerning students who are excluded from school without being formally expelled and alternatives to excluding students from school.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** *Summary:* Depending on the membership level, state expenditures could range from \$6,000 to \$12,000 per state fiscal year to fund the Interim Study Committee On Educational Services To Expelled Students. The expenditures required for the Committee would be paid from the Legislative Services Agency budget.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary:* Under the bill, a school corporation could place a disruptive student in another public school in a different school corporation. The removing school corporation would pay to the receiving school corporation the difference in the revenue per student of the removing school and the educational costs of the receiving school, if the educational costs were greater than the removing school's revenue per student.

*Example-* School corporation A removes a student that has revenue of \$5,000 per student. School corporation B is the receiving school corporation and has educational costs of \$5,500. Under the bill, school corporation A would pay school corporation B \$500 to receive the disruptive student.

The impact to local expenditures is indeterminable and would depend on local action.

*Background:* In CY 2002, 99% of school corporations had school formula funding per ADM ranging from \$4,500 to \$7,200. In school year 2000, 2,513 students were expelled for disruptive behavior.

**Explanation of Local Revenues:** See *Explanation of Local Expenditures*.

**State Agencies Affected:** Legislative Services Agency.

**Local Agencies Affected:** School corporations.

**Information Sources:** DOE SAS and ORACLE DATABASES.

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